

DOCKET FILE COPY ORIGINAL



Verizon Communications
1300 I Street NW, Suite 400W
Washington, DC 20005

Richard T. Ellis
Director - Federal Affairs

June 27, 2002

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W.
Washington, D.C. 20554

RECEIVED

JUN 27 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Request for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) Between Verizon Maine's Lubec, Maine Exchange Area (North 120 LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange; CC Docket No. 96-159

Dear Ms. Dortch:

Verizon Maine Inc. hereby submits this request for a LATA boundary modification to provide Expanded Local Calling Service (ELCS) between its Lubec, Maine Exchange area and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange.

In its order released July 15, 1997¹ ("Order"), the Commission established an ongoing process for requesting LATA boundary modifications to provide ELCS. This request is filed pursuant to the provisions contained in that order. Attached please find the support documentation required by the Commission to approve the requested modification.

Should you have any questions regarding this material, please do not hesitate to contact me on 202-515-2534.

Sincerely,

Cc: Alan Thomas
Attachment

¹ "In the Matter of Petitions for Limited Modification of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) at Various Locations", CC Docket No. 96-159, released July 15, 1997.

Verizon New England Inc.
d/b/a Verizon Maine

RE: Request for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) Between Verizon Maine's Lubec, Maine Exchange Area (Northeast 120LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange

(1) Type of Services:

Residence and Business Basic Exchange Service and packages that include basic Exchange Service (SoundDeal, Local Package, Multi-Line Package Bonus Discount and Corporate Rewards)

(2) Direction of Service:

Two-way ELCS (Campobello presently has one-way ELCS to Lubec)

(3) Exchanges Involved:

Between Verizon Maine's Lubec Exchange Area (Northeast 120 LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange

(4) Name of Carriers:

Presently Verizon Maine is the local exchange carrier providing local service in the Lubec Exchange Area and New Brunswick Telephone Company provides local service in the Campobello Exchange area. However, as of March 27, 2002, there were 37 Competitive Local Exchange Carriers (CLECs) with Certificates of Public Convenience issued by the Maine Public Utilities Commission that could choose to provide local exchange service in the Lubec Exchange Area.

(5) State Commission Approval:

Attachment A is a copy of the Maine Public Utilities Commission's Order Granting Waiver Request in Docket No. 2001-783, Issued May 1, 2002.

(6) Number of Access Lines or Customers:

| | <u>#Residence Lines</u> | <u># Business Lines</u> | <u>Total Lines</u> |
|----------------|-------------------------|-------------------------|--------------------|
| Lubec Exchange | 1,200 | 203 | 1,403 |

(7) Usage Data

As this is presently international IXC traffic there is no usage data available.

(8) Poll Results

A Poll is not required under the Maine Basic Service Calling Area Rules (Chapter 204).

(9) Community of Interest Statement

The Maine Public Utilities Commission addressed the “community of interest” calling issues as part of its Order Granting Waiver Request (see Attachment A). In their Order they wrote:

“The Commission believes that a sufficient community of interest exists between the Lubec and Campobello exchanges for a number of reasons. Lubec is a service center for the area that includes Campobello, as determined by the Maine State Planning Office; NBTel implemented one-way local calling from Campobello to Lubec approximately eighteen months ago based on NBTel’s call volume analysis for determining community of interest calling; and there appears to be a high level of social and economic interaction between Lubec and Campobello. Our review of the evidence indicates that the communities share medical and emergency services (i.e. the fire departments, ambulance services and police departments in both communities assist each other as necessary); many Campobello residents work in Lubec; the FDR International Park employs residents from both communities; and Campobello, while just over the bridge from Lubec, is fifty miles from ST. Stephens, the nearest major settlement in New Brunswick, Canada.

There are approximately 1,400 subscriber lines in the Lubec exchange. The population of Campobello is less than 2,000. It would be difficult and likely unreliable to perform traffic analysis of the toll calls from Lubec to Campobello due to the one-way local calling capability from Campobello to Lubec and because inter-exchange carriers other than Verizon carry the calls, which are international.

We conclude that the information presented to us by the petitioners and Verizon demonstrates a sufficient community of interest between Lubec and Campobello to justify a waiver of our rules so as to expand Lubec’s BSCA, on a flat rated, non-optional basis to Campobello.”

(10) Map

Maine is a single LATA (LATA 120) state; the LATA boundary and the State boundaries are contiguous. Attachment B is a copy of the Verizon Maine exchange boundary map for Lubec that shows the location of the Maine, United States and Canadian border.

(11) Other Pertinent Information

Part VIII Section B of the Maine Basic Service Calling Area Rule (Chapter 204) allows customers to request that the Maine Commission waive one or more of the requirements of this Rule to the expansion of their Basic Service Calling Area. (See Attachment C, The Maine Commission Order Adopting Rule and Statement of Factual and Policy Basis, as well as Chapter 204 of the Commission’s Rules.

Attachment A.

Verizon Maine

RE: Request for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) Between Verizon Maine's Lubec, Maine Excliange Area (Northeast 120 LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange

- **Copy of the Maine Public Utilities Commission's Order Granting Waiver Request in Docket No. 2001-783, Issued May 1, 2002.**

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2001-783

May 1, 2002

PUBLIC UTILITIES COMMISSION
Request for Waiver of Basic Service
Calling Area Rule, (Chapter 204).

ORDER GRANTING
WAIVER REQUEST

I. SUMMARY

In this Order, we grant one request and deny another request for waiver of the requirements for adding an exchange to the basic service calling area. We direct Verizon Maine (Verizon) to obtain all necessary authorizations to implement local calling on a non-optional, flat-rate basis, from the Verizon Lubec exchange in Maine to the NBTel Campobello exchange in Canada and to file tariffs implementing the basic service calling area (BSCA) change within four months of the date of this Order. We deny a similar request to add the neighboring Verizon exchanges of Pembroke, Eastport, and Machias to the BSCA of Lubec. We direct Verizon to provide individual notice to all Lubec exchange subscribers regarding the availability of the ECCS and ECCS Plus calling plans to the neighboring exchanges. The Verizon "Expanded Community Calling Service" plans (ECCS) are optional calling plans between those exchanges that allow either a block-of-time or flat-rated calling for an additional monthly charge.

II. BACKGROUND

On October 24, 2001, the Commission received a petition requesting a waiver from the requirements of the Commission's Basic Service Calling Area Rule (Chapter 204). The petition indicated that it was filed pursuant to 35-A MRSA §7303-A.¹ The petitioners requested that calling to the Campobello exchange (served by NBTel, New Brunswick, Canada) be available in the calling area of the Lubec exchange as a local or non-toll call. Petitioners also requested the ability to call neighboring exchanges in Maine (Pembroke, Eastport and Machias).

¹ **57303-A. Basic service calling areas.** Upon written petition of 50 or more customers of a local exchange carrier who receive local, flat-rate, basic service within no more than a single exchange area, the commission shall open a proceeding to investigate expanding that basic service calling area. The commission shall hold at least one public hearing. The commission, within 6 months of the filing of the written petition, shall issue an order that must either expand the basic service calling area or state the commission's reasons for refusing to expand the basic service calling area. If the commission expands the basic service calling area pursuant to this subsection, the commission may allow a carrier affected by the expansion to recover, to the extent reasonable, its costs, including lost revenues, attributable to the expansion.

On November 27, 2001, the petitioners sent an email to the Commission referring to existing optional toll calling plans (ECCS and ECCS Plus), asking why they were not publicized and promoted in Lubec. The email also asked why Lubec customers could not call Campobello, as could residents of Calais, ME, and St. Stephen, NB, who can call each other on a local or non-toll call basis.

Pursuant to a Staff data request, on December 5, 2001, Verizon provided information describing the process necessary to implement a calling area expansion into a different LATA (local access transport area). The Federal Communications Commission, in an August 30, 1999, Order, stated that modifications to LATA boundaries would be granted for flat-rated, non-optional service, where there was a community of interest and where the modification was not anti-competitive. The petition would have to be approved by a state commission which found that a sufficient community of interest existed and that a limited number of customers were involved.

On April 11, 2002, Verizon filed additional comments in this docket, stating that it could not support the waiver request and that if the Commission did grant the petitioner's request it had concerns regarding cost recovery and pricing. Verizon proposed that one-time costs to augment trunking for the expected increase in Lubec to Campobello traffic be recovered through a temporary rate surcharge. Verizon also proposed to recover lost switched access revenues through an increase in the Lubec Premium monthly rate, as allowed under the BSCA rule (Chapter 204).

III. DECISION

The Commission believes that a sufficient community of interest exists between the Lubec and Campobello exchanges for a number of reasons. Lubec is a service center for the area that includes Campobello, as determined by the Maine State Planning Office; NBTel implemented one-way local calling from Campobello to Lubec approximately eighteen months ago based on NBTel's call volume analysis for determining community of interest calling; and there appears to be a high level of social and economic interaction between Lubec and Campobello. Our review of the evidence indicates that the communities share medical and emergency services (i.e. the fire departments, ambulance services and police departments in both communities assist each other as necessary); many Campobello residents work in Lubec; the FDR International Park employs residents from both communities; and Campobello, while just over the bridge from Lubec, is fifty miles from St. Stephens, the nearest major settlement in New Brunswick, Canada.

There are approximately 1,400 subscriber lines in the Lubec exchange. The population of Campobello is less than 2,000. It would be difficult and likely unreliable to perform traffic analysis of the toll calls from Lubec to Campobello due to the one-way local calling capability from Campobello to Lubec and because interexchange carriers other than Verizon carry the calls, which are international.

We conclude that the information presented to us by the petitioners and Verizon demonstrates a sufficient community of interest between Lubec and Campobello to justify a waiver of our rule so as to expand Lubec's BSCA, on a flat-rated, nonoptional basis, to Campobello. We therefore approve the request for waiver of the BSCA rule and direct Verizon to obtain all necessary authorizations to implement local calling on a nonoptional, flat-rate basis, from the Verizon Lubec exchange in Maine to the Campobello exchange in Canada and to **file** tariffs implementing the BSCA change within four months **of** the date of this Order. Verizon should propose Premium monthly rates that follow the guidelines in Chapter 204 of our rules. Lost switched access revenues or facilities costs not recovered by the proposed rates should be tracked for one year (pursuant to Chapter 204), for the Commission's consideration. However, we expect that the costs for additional facilities and the amount of lost access revenues to both be modest amounts.

The request to add the neighboring Verizon exchanges of Pembroke, Eastport, and Machias to the BSCA of Lubec is denied because of the availability of existing optional toll calling plans that allow Lubec residents to choose either a block of time or flat, unlimited calling to those exchanges.² We direct Verizon to inform all Lubec exchange subscribers regarding the availability of the ECCS and ECCS Plus calling plans to the neighboring exchanges.

Dated at Augusta, Maine this 1st day of May 2002

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Diamond

COMMISSIONER ABSENT: Nugent

² ECCS: \$3.00 for the initial hour of calling; \$.05 per minute for each additional minute in excess of one hour. ECCS Plus: \$6.00 per month for unlimited calling

Attachment B

Verizon Maine

RE: Request for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) Between Verizon Maine's Lubec, Maine Exchange Area (Northeast 120 LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange

- Copy of Verizon Maine's Lubec Exchange map filed with and approved by the Maine Public Utilities Commission.

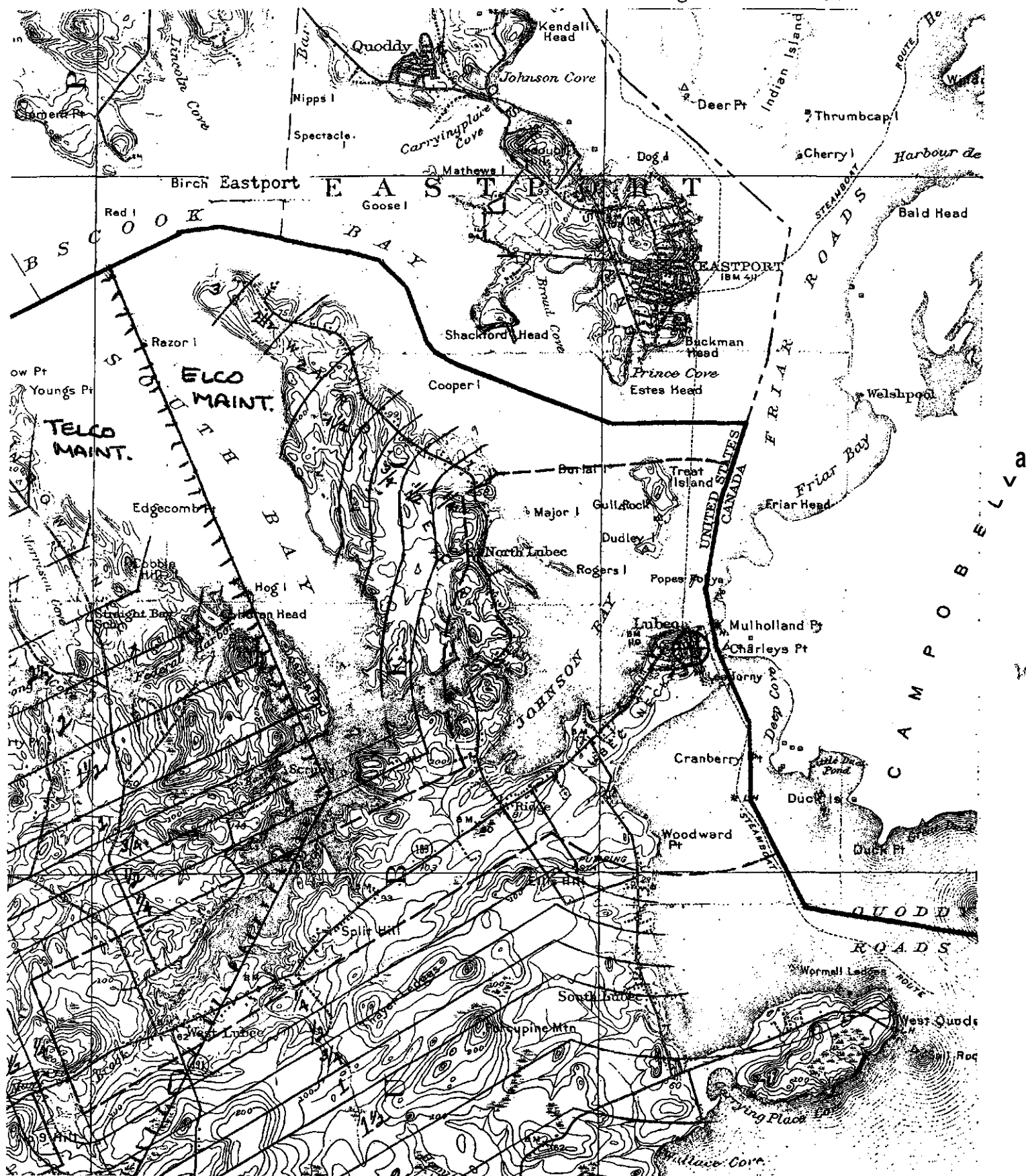
Top Left

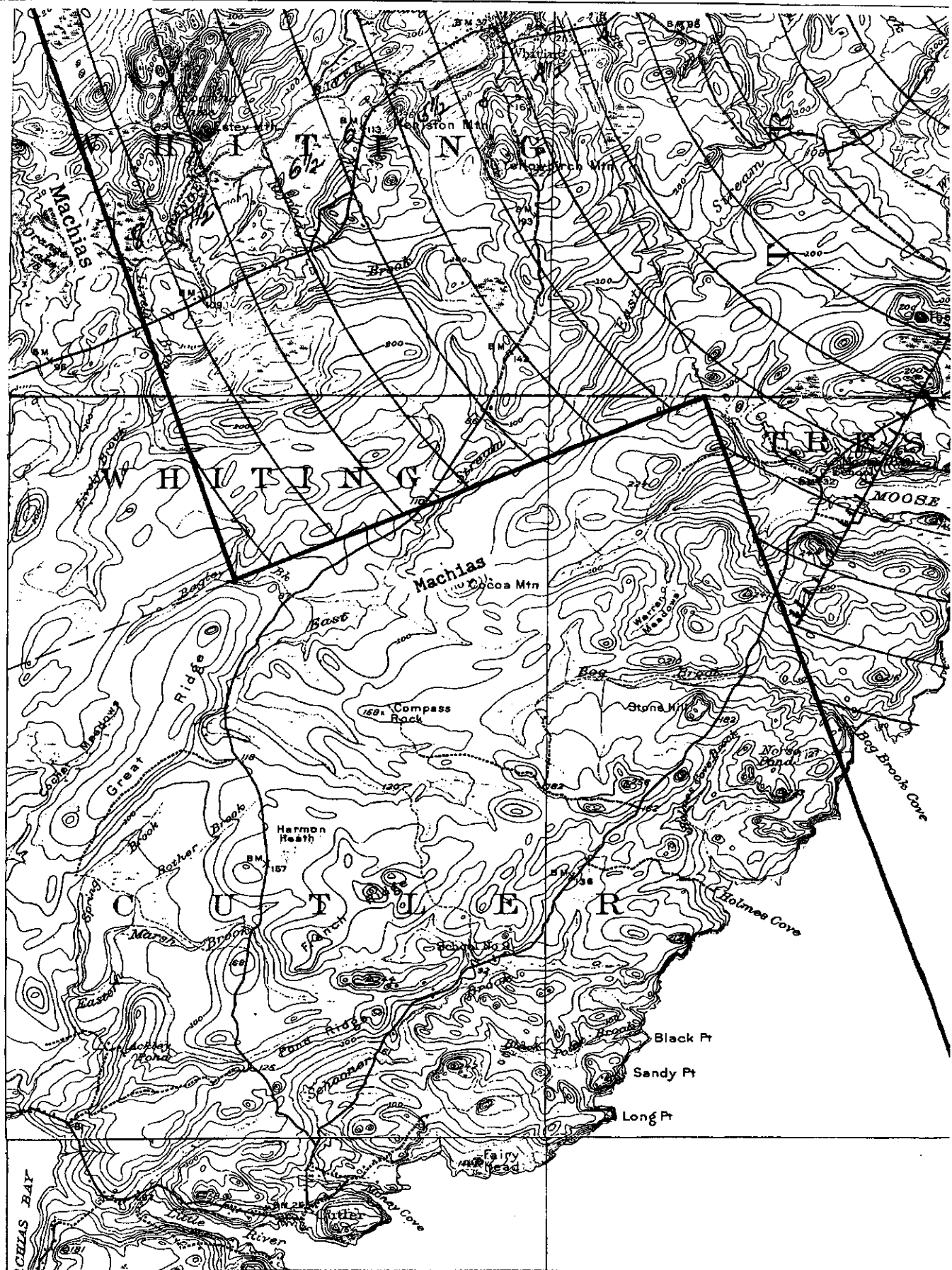
This is a detailed topographic map of the Denby Islands and surrounding areas. The map shows the Denby Islands, including Denby Head, Denby Island, and Denby Island. It features numerous contour lines indicating elevation, with peaks reaching up to 2000 feet. Key locations include Denby Head, Denby Island, Denby Island, and Denby Island. The map also shows the surrounding waters, including the Denby Bay and the Denby Strait. A scale bar at the bottom indicates distances in miles and kilometers. The map is oriented with North at the top.

Top Right
LUBEC EXCHANGE

Part II - Local
Section 2
Sheet
Second Revision
Canceling First Revision

67



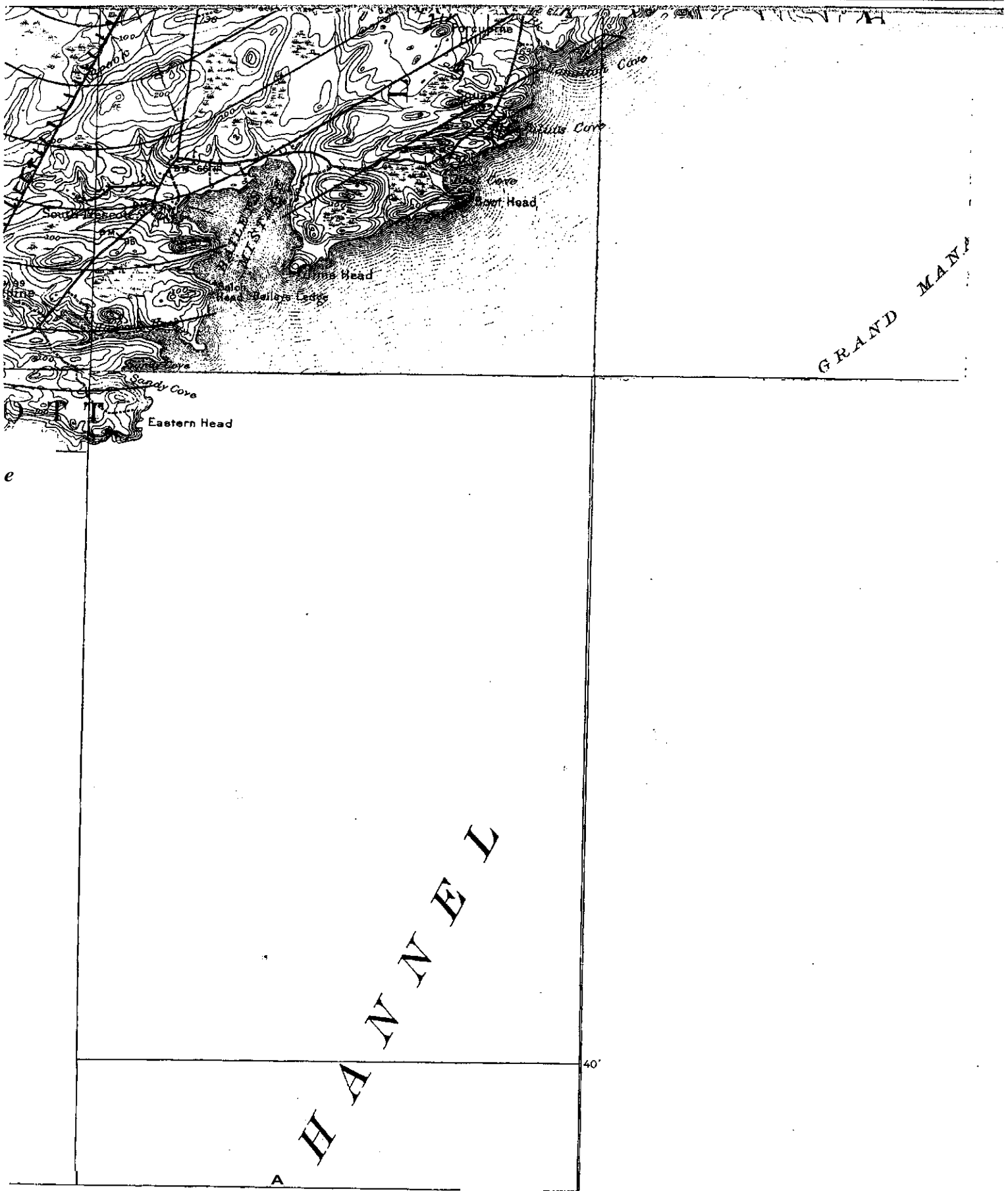


Issued: April 28, 1964

Effective: May 28, 1964

Bottom Left





3 Miles
Exchange Boundary
Mileage Bands

Bottom Right

R. J. Davis
General Manager — Maine

Attachment C.

Verizon Maine

RE: Request for Limited Modifications of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) Between Verizon Maine's Lubec, Maine Exchange Area (Northeast 120 LATA) and New Brunswick Telephone Company's Campobello, New Brunswick, Canada Exchange

- Copy of the Maine Public Utilities Commission's Order Adopting Rule and Statement of Factual and Policy Basis in Docket No. 93-170, Issued May 19, 1994 and the adopted Chapter 204.

SUMMARY: This Chapter establishes the criteria and the procedures that the Commission, Local Exchange Carriers and others who provide telephone service in Maine, will follow to establish and change basic-service calling areas.

Part I. Purpose and Applicability

A. Purpose

The purpose of this Chapter is to create a statewide system of offering basic-service calling areas and optional calling plans that permits customers to select calling areas suited to their calling patterns, and to establish a rate structure for short-distance pay telephone calls.

B. Applicability

This Chapter applies to all telephone utilities that are subject to the Commission's jurisdiction.

Part II. Definitions

- A. "Basic-Service" Calling Area. "Basic-Service" calling area is a general term for the Economy and Premium calling area plans. A customer's basic-service calling area includes unlimited calling to one or more exchanges and municipal calling service areas, for a flat monthly rate.
- B. "Commission". "Commission" means the Maine Public Utilities Commission.
- C. "Customer". "Customer" is a person who has an account for basic telephone service in Maine.
- D. "Economy" Calling Area. The "Economy" calling area plan is a basic-service calling area that has a flat monthly rate for unlimited calling within the home exchange, the customer's municipal service calling area, and all bordering exchanges that were included in the home exchange's permanent basic calling area immediately before the initial effective date of this Rule. Calls made from the Economy calling area to within the Premium calling area are part of the Economy plan and are priced at a flat rate per call.

If an exchange is served by more than one central office or wire center and its Premium calling area includes more than 50,000 access lines, the Economy calling area is the home exchange and the customer's municipal service calling area.

- E. "Exchange". "Exchange" is a specific geographic area with boundaries set according to Company service territory maps on file with the Commission. An exchange may obtain telephone service from one or more wire centers or central offices. To calculate toll rates and toll bands for exchanges served by more than one wire center or central office, LECs will use Vertical and Horizontal coordinates for the location of each wire center or central office.
- F. "Home" Exchange. "Home" exchange is the exchange where the customer's telephone is located. In the case of Foreign Exchange Service, the "home" exchange is the exchange where the customer's telephone receives dial tone.
- G. "Initiating" Exchange. An "initiating" exchange is an exchange in which, in a representative period, more than 50% of its residential customers make at least four calls per month to a specific receiving exchange that is within **30** airline miles.
- H. "Local Exchange Carrier" ("LEC" or "Company"). "Local exchange carrier" means a telephone utility, as defined by **35-A M.S.R.A. § 102 (19)**, that provides basic service and interconnects directly with customers' telephones in at least one Maine exchange.
- I. "Municipal Calling" Service. "Municipal Calling" service is a Commission policy that all calls from a telephone in a particular municipal civil division to another telephone within the same municipal civil division are included in a customer's basic-service calling area.
- J. "Optional" Calling Plan. An "Optional" calling plan is a plan that residential customers may choose in addition to the Economy or Premium calling area ~~plans~~ that allows customers pricing alternatives ~~for~~ toll service outside their Premium calling area.
- K. "Pay" Telephone. A "Pay" telephone is a public, semi-public, or customer owned coin operated telephone ("COCOT") from which calls can be paid for at the time they are made by coins, tokens, credit cards, or billed to another telephone number.
- L. "Premium" Calling Area. The "Premium" calling area plan ~~is~~ a basic-service calling area that has a flat ~~monthly~~ rate for unlimited calling to the home exchange's current permanent basic calling area, all new initiating and receiving exchanges, and the customer's municipal calling service area. Exchanges where the Premium and the Economy calling areas are identical are classified as having a Premium calling area. Customers who subscribe to multi-party service must enroll in the Premium calling area plan.
- M. "Receiving" Exchange. A "receiving" exchange is an exchange that, in a representative period, receives at least four calls ~~per~~ month from more than 50% of the residential customers of a specific initiating exchange that ~~is~~ within **30** airline miles.
- N. "Residential" Customer. ~~A~~ "residential" customer ~~is~~ a customer who has telephone service at a dwelling and the service is used primarily for domestic or social purposes. All other customers are non-residential customers.

- O. “Single Exchange Area.” A “single exchange area” is a Basic-Service Calling Area that includes only a single exchange.
- P. “Telephone” Company (“Company”). A “telephone” company is a utility, as defined by 35-A M.R.S.A. §102(19), that either provides basic service and interconnects directly with customers’ telephones in at least one Maine exchange, or one that owns, operates, or manages a pay telephone (COCOT).

Part III. Procedures for Determining and *Implementing* Basic-Service Calling Area Options

A. Method Used to Determine Basic-Service Calling Areas

Within **30** days of the initial effective date of this Rule and every five years thereafter, each LEC will analyze residential toll traffic data in each exchange to identify exchanges to add to Premium calling areas. If more than one LEC provides basic-service in an exchange, Companies will combine toll traffic data to determine Economy and Premium calling areas.

1. LECs will separate residential intrastate toll traffic and billing data by exchange and choose a representative period of at least one month from the past 12 months.
2. LECs will identify any exchange where more than 50% of all residential customers in the exchange make four or more toll calls per month to another exchange in Maine.
3. LECs will determine if the exchanges are within **30** airline miles of each other by using New England Telephone Company’s Tariff Administrative Practice Manual and Vertical and Horizontal coordinates from the National Exchange Carriers Association Tariff F.C.C. No. 4.
4. If one exchange meets the criteria in 2. above, and if the two exchanges meet the criteria in 3. above, the calling exchange is defined as an initiating exchange and the called exchange is defined as a receiving exchange. The receiving exchange will be added to the initiating exchange’s Premium calling area and the initiating exchange will be added to the receiving exchange’s Premium calling area.
5. The LEC that serves the initiating exchange(s) will give a list of initiating and receiving exchange(s) to the LEC that serves the receiving exchange(s). Both LECs will verify that the exchanges meet the criteria in 2. and 3. above and will follow the procedures described in Part VI(A) to ask customers to choose the Economy or Premium plan and offer optional calling plans.
6. LECs will file proposed rates with the Commission within this 30-day timeframe, except as provided for in Part VI(B)(1)(c)(ii).

B. Customer Options for Basic-Service Calling Areas

1. Customers who subscribe to single-party service in exchanges that do not meet the criteria to add any exchanges to their Premium calling area may choose one of the following plans:
 - a. Premium Calling Area Plan--a flat monthly rate for unlimited calling within the exchange's current permanent basic calling area, and the customer's municipal calling service area; or, if different,
 - b. Economy Calling Area Plan--a flat monthly rate for unlimited calling within the home exchange, the customer's municipal service calling area, and all bordering exchanges included in the home exchange's permanent basic calling area immediately before the initial effective date of this Rule. Calls made outside the Economy calling area but within the Premium calling area are part of the Economy plan and are priced at a flat rate per call.

If an exchange ~~is~~ Served by more than one central office or wire center and its Premium calling area includes more than 50,000 access lines, the Economy calling area is the home exchange plus the customer's municipal service calling area.

2. Customers who subscribe to single-party service in exchanges that meet the criteria to add exchanges to their Premium calling area may choose one of the following plans:
 - a. Premium Calling Area Plan--a flat monthly rate for unlimited calling within the exchange's current permanent basic calling area, all initiating and receiving exchanges, and the customer's municipal calling service area; or
 - b. Economy Calling Area Plan--a flat monthly rate for unlimited calling within the home exchange, the customer's municipal service calling area, and all bordering exchanges included in the home exchange's permanent basic calling area immediately before the initial effective date of this Rule. Calls made outside the Economy calling area but within the Premium calling area are part of the Economy plan and are priced at a flat rate per call.

If an exchange is served by more than one central office or wire center and its Premium calling area includes more than 50,000 access lines, the Economy calling area ~~is~~ the home exchange plus the customer's municipal service calling area.

Part IV. Optional Calling Plans for Residential Customers

Residential customers may enroll in the following optional calling plan and **any** additional residential optional calling plans offered by the Company:

Circle Calling Plan--An optional calling plan for calls made to outside the Premium calling area to all bordering exchanges, and to all non-bordering exchanges within 30 airline miles of the home exchange.

- A. Companies will establish a flat monthly charge for 120 calling minutes.
- B. Companies will bill additional minutes at a flat discounted per-minute toll rate.
- C. The flat monthly charge and the flat rate for additional minutes will apply to all calls that meet the mileage criteria of the Circle Calling Plan regardless of the distance between exchanges and the time of day the calls are placed.
- D. Companies are not required to itemize optional calling plan calls on customer bills

Part V. Basic Coin Rate for Pay Telephones

Pay telephones will have a basic coin rate for calls within the Premium calling area, to all bordering exchanges, and to non-bordering exchanges within 20 miles of the home exchange.

- A. Unless timing is permitted under the Commission's Chapter 25 for COCOTS, telephone calls made within the home exchange's Premium calling area are priced at the local coin rate and are not timed. Where timing is permitted under Chapter 25, calls within the Premium calling area are priced at the local coin rate for the first 5 minutes, with additional minutes priced no higher than the pro rata per minute rate of the initial 5 minute period rounded up to the nearest \$0.05.
- B. Calls made to telephones in exchanges outside the home exchange's Premium calling area, to a bordering exchange or a non-bordering exchange within 20 miles, are priced at the greater of \$.25 or 120% of the local coin rate rounded up to the nearest \$.05, for each two minutes.

Part VI. Procedures for Implementing BSCA Plans, Optional Calling Plans, and Basic Coin Rates

A. Customer Notice

Within 60 days from Commission approval of rates submitted to comply with this Rule, Local Exchange Carriers will send a notice to each customer, each COCOT service provider that obtains a Public Access Line from the LEC, and to the Commission. The notice will provide the following information:

1. A description of the Economy and Premium plans, a list of the exchanges included in each plan, and the rates for each plan;
2. A statement that municipal service calling areas are included in the Economy and the Premium plans;

3. A statement that customers who subscribe to multi-party service must enroll in the Premium plan;
4. A statement that advises customers that they have 60 days to select the Economy or the Premium plan and informs customers of the default option. The default option for the initial implementation of this Rule is the Premium plan. For subsequent updates of this Rule, customers enrolled in the Economy plan will keep this plan as their default option. Customers enrolled in the Premium plan will keep this plan as their default option.
5. A description and the rates of the optional calling plans offered by the Company, and a list of exchanges included in the Circle Calling optional calling plan; and
6. Rates for public pay telephones.

B. Implementation Dates

i. Basic-Service Calling Area Plans

a. Economy and Premium Calling Area Plans--

Companies will implement Economy and Premium calling area plans within 120 days of the post mark date of the notice to customers asking them to choose a BSCA plan under Part VI(A).

b. Initiating Exchanges Where More than 50% of Residential Customers Make Six or More Toll Calls per Month to a Receiving Exchange--

Companies will add initiating and receiving exchanges to the Premium calling areas and implement the Economy and Premium calling area plans within 120 days of the post mark date of the customer notice under Part VI(A). If adding an initiating and a receiving exchange involves more than one LEC, Companies will implement the additions simultaneously.

c. Initiating Exchanges Where More than 50% of Residential Customers Make Four or Five Toll Calls per Month to a Receiving Exchange--

i). Companies may add initiating and receiving exchanges to the Premium calling areas within 120 days of the post mark date of the customer notice under Part VI(A) or at a date no later than May 1, 1996; or

ii). For the initial implementation of this Rule, Companies who serve initiating exchanges that meet the "more than 50% making six or more toll calls" threshold may file proposed rates to add initiating and receiving exchanges that meet the "more than 50% making four or five toll calls" to the Premium calling areas no

later than the initial due date of the tracking report under Part VII(A)(3); and

- iii). All Companies will use the criteria under Part VII to adjust rates, as necessary, to add initiating and receiving exchanges to Premium calling areas. Companies will follow the timeframes and requirements of Part VI to notify customers and implement changes to BSCAs. If adding an initiating and a receiving exchange involves more than one LEC, Companies will implement the additions simultaneously. Companies will follow Part VII(A)(2) and (3) to establish and report tracking account balances and to file proposed rates to recover or return balances from the deferral period and to adjust prospective rates.

2. Optional Calling Plans

- a. Each LEC will file a proposed Schedule of Rates, Terms and Conditions that establishes the Circle Calling plan described in Part IV of this Rule, and any other optional calling plans, within 30 days of the initial effective date of this Rule.
- b. Companies will implement the Circle Calling optional calling plan within 120 days of the post mark date of the customer notice under Part VI(A).

3. Basic Coin Rates

- a. Each Company will file a proposed Schedule of Rates, Terms and Conditions for basic coin rates that comply with Part V, within 30 days of the initial effective date ~~of~~ this Rule.
- b. Within 60 days from Commission approval ~~of~~ basic coin rates, Local Exchange Carriers will send the customer notice described in Part VI(A) to each COCOT service provider that obtains a Public Access Line from the LEC.
- c. Companies and COCOT service providers will implement the basic coin rate structure within 120 days of the post mark date of the LEC's customer notice under Part VI(A).

4. Telephone Directories

LECs must distribute to each customer, at **no** cost, a telephone directory(ies) that includes the "white" alphabetical listings for each exchange in the customer's Premium calling area and a "yellow" classified listings section. LECs must distribute directories within 12 months of the initial implementation date of the Rule and within 12 months of each date the LEC adds exchanges to a Premium calling area.

Part VII. Monthly Rates for Basic-Service Calling Area Plans

A. Filing Requirements for Local Exchange Carriers

1. Rates

While LECs may propose to revise flat monthly rates to implement basic-service calling area plans, the proposed rates should not result in any additional net income for the Company.

2. Tracking Account

Each Company **must** maintain a tracking account by exchange, that records the revenue effects of the BSCA plans for the first 12 months after basic-service calling area plans are implemented or updated. For Companies as a whole, each Company must maintain a tracking account that records the net settlements effects on the Company for the first 12 months after basic-service calling area plans are implemented or updated.

3. Reporting Requirements

Within **60** days after the 12-month tracking period, the Company must file a written report with the Commission that shows the revenue effects of the BSCA plans for the first 12 months after basic-service calling area plans are implemented or updated. If the tracking account has a positive balance, the LEC must file a proposal to return the excess to customers and to lower prospective rates with its report. If the tracking account has a negative balance, the LEC may file proposed rates for Commission review and approval to recover the shortfall that occurred during the 12-month deferral period and the period following the 12-month deferral period but prior to the effective date of the newly proposed rates; and to adjust prospective rates to avoid a similar revenue shortfall in the future.

B. Monthly Rates for Premium Calling Area Plan

1. Receiving Exchanges

a. The monthly rates for the Premium plan should attempt to recover the costs of providing Premium area service to the receiving exchange. LECs should recover any shortfall in receiving exchange revenue requirements in the following order:

- i). From the additional revenues collected from customers who move to a higher rate group because exchanges are added to their Premium calling area;
- ii). From increasing the flat monthly rate for customers in the Company's highest rate group by up to **4%**;

- iii). From the additional revenue collected from customers who select optional calling plans;
- iv). From increasing the flat monthly rate for customers who subscribe to multi-party service up to the flat monthly rate **for** the Economy calling plan; and then
- v). After the first 12 months, by filing proposed rates for Commission review and approval under Part VII(A).

2. Initiating Exchanges

- a. The monthly rates for the Premium plan should attempt to recover the costs of providing Premium area service to the initiating exchange. LECs should recover any shortfall in initiating exchange revenue requirements in the following order:
 - i). From the additional revenue from customers who move *to* a higher rate group because exchanges are added **to** their Premium calling area;
 - ii). From increasing the flat monthly rate the greater **of**:
 - a). **4%** of the initiating exchange's current monthly Premium rate; or
 - b). up to the new monthly Premium rate of the largest receiving exchange included in the initiating exchange's new Premium calling area;
 - iii). From additional revenue from customers who select optional calling plans;
 - iv). From reducing or eliminating any discounted toll plans offered by the Company;
 - v). From increasing the flat monthly rate for customers who subscribe to multi-party service up to the flat monthly rate for the Economy calling plan;
 - vi). From increasing the monthly Premium rate of the Company's other exchanges to less than or equal to the current monthly Premium rate of the largest exchange included in the other exchange's Premium calling area; and then
 - vii). After the first 12 months by filing proposed rates for Commission review and approval according to Part VII(A).

C. Rates for Economy Calling Area Plan

1. The monthly rate for the Economy plan must be lower than the monthly rate for the Premium plan *to* reflect the smaller size of the Economy calling area.
 - a. For Premium monthly rates \$15.00 or less, the Economy monthly rate must be at least \$1.50 less than the Premium rate.
 - b. For Premium monthly rates that are more than \$15.00, the Economy monthly rate must be at least 10% less than the Premium rate.
 - c. Any reduction in monthly rates that results from customers moving to a lower rate group **is** included in the \$1 \$ 0 or 10% reduction in rates.
2. Calls made outside the Economy calling area, but within the Premium calling area, are priced at or below the basic coin rate for the Premium calling area.

Part VIII. Waivers

A. Company

A Company may ask the Commission to waive one or more requirements of this Rule for a portion or all of the Company's service territory.

1. The Company must request the waiver in writing. The request must explain and justify why the Commission should grant the waiver, must **propose** an alternative procedure, and must describe how the waiver would be consistent with the purpose of this Rule. The Company must send a copy **of** the request to the Public Advocate.
2. The Commission will determine whether and how to solicit comments from interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the Company's written request, and any comments or testimony in determining to either grant, deny, or modify the waiver request.

B. Customers

Customers may ask the Commission to waive one or more requirements of this Rule after asking the Company *to* attempt to resolve their concerns. If the Company **is** unable to resolve the customers' concerns and believes the Commission must grant a waiver of the Rule to resolve the matter, the LEC will inform the customers which section(s) of the Rule the Company believes require(s) a waiver. The customers may **then** ask the Commission for a waiver as follows:

1. 30% or 1,000 Customers in Any Exchange Area
 - a. The lesser of **30%** or 1,000 customers in any exchange area may request **a** waiver. The customers must request the waiver in writing, which must include the names, addresses, telephone numbers, and signatures of the

lesser of 30% or 1,000 customers of the exchange who request a waiver from the Rule. The request must identify the lead customer, who will serve as the principal point of contact for the petitioners. The waiver request should set forth the circumstances justifying the request, including any efforts made by the petitioners to obtain relief from the company.

- b. The Commission will determine whether and how to solicit comments from interested persons. The Commission, at its discretion, may hold a hearing. The Commission will consider the customers' written request, and any comments or testimony in determining to either grant, deny, or modify the waiver request.

2. 50 or More Customers in a Single Exchange Area

- a. Notwithstanding the requirements of Section VIII(B)(1) above, fifty or more customers in a single exchange area may request a waiver. The customers must request the waiver in writing and must include the names, addresses, telephone numbers, and signatures of at least fifty customers in the same exchange who support the waiver. The request must identify the lead customer, who will serve as the principal point of contact for the petitioners. The waiver request should set forth the circumstances justifying the request, including any efforts made by the petitioners to obtain relief from the Company.
- b. The Commission will open a proceeding to investigate expanding the basic-service calling area that is the subject of the waiver request and will hold at least one public hearing. Within six (6) months of the filing of the written petition, the Commission will issue an order that either expands the basic-service calling area or states the Commission's reasons for declining to expand the basic service calling area. In making its determination, the Commission will consider the customers' written request, and any comments or testimony.

3. Standards

The following standards shall apply to waivers requested under both Sections VIII(B)(1) and VIII(B)(2). The Commission will grant a customer requested waiver if it determines that a sufficient community of interest exists between the customers' community and the community the customers propose to add to the basic-service calling area, and that the benefits are not outweighed by other factors. In determining whether a sufficient community of interest exists, the Commission will consider both social and economic factors including, but not limited to, the extent of the relationship between the two communities, employment patterns, the location of medical service providers, the location of schools, the percentage of people from the exchange requesting a waiver, seasonality of calling patterns, the level of community sentiment, and the level of disparity between customers making a large number of calls to the proposed community and customers making no calls to that community. Other factors the

Commission may consider in deciding whether to grant a customer requested waiver include, but are not limited to, the availability of optional calling plans and the number ~~of~~ subscribers to those plans, the number of lines currently served, the cost, revenue and rate impacts of expanding the calling area, and the availability of alternatives to traditional telephone services.

STATUTORY AUTHORITY: 35-A M.R.S.A. §§ 104, 111,7303-A

EFFECTIVE DATE

The Attorney General approved the form and legality of this Rule on June 20, 1994. It was filed with the Secretary of State on June **20**, 1994 and **is** effective on June **25** 1994.

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May **4**, 1996

AMENDED:

The Attorney General approved the form and legality of this Rule on October **9,2001**. It was filed with the Secretary of State on October 9,2001 and **is** effective on October 14,2001.